weekly economic review

July 5, 2013

Labour Market

Alberta unemployment holds steady in June

Alberta's employment was virtually unchanged in June (-700), after posting large gains in the previous two months. Despite the flat reading in June, year-to-date job growth remains strong, up 45,800 (2.1%). Service sector industries weighed on overall employment, with health care & social assistance (-6,600) and transportation & warehousing (-3,300) posting the largest drops. Gains in goods sector industries were partially offset by the declines in services as the agriculture (+2,800) and construction (+2,400) sectors posted solid gains.

June's small job loss, combined with 3,500 more people entering the labour force, resulted in the unemployment rate rising 0.2 percentage points to 5.0%. Despite this increase, Alberta was tied with Manitoba for the second lowest unemployment rate in Canada.

Canada's employment was also flat in June (-400), following an impressive gain in May. The national unemployment rate was unchanged for the month at 7.1%.

Exports

Exports climb in May

Exports experienced strong gains in May over the same month last year (11.7%). This was almost exclusively the result of energy exports, which surged (+12.3%) from May 2012. Strong year-over-year gains were also seen in farm fishing, and basic & industrial chemical, plastics & rubber products.

Total exports have been trending higher so far in 2013 after a notable downturn in the second half of 2012. The total value of exports in June was $8.5 billion.

Nationally, total exports were up 2.4% year-over-year, driven by broadly based gains in farm, fishing & intermediate foods, energy products, basic & industrial chemical, plastics & rubber products, and forestry products. Some industries, however, posted losses, notably in motor vehicle and parts, and metal and non-metallic mineral products.

US Employment

US employment beats market expectations

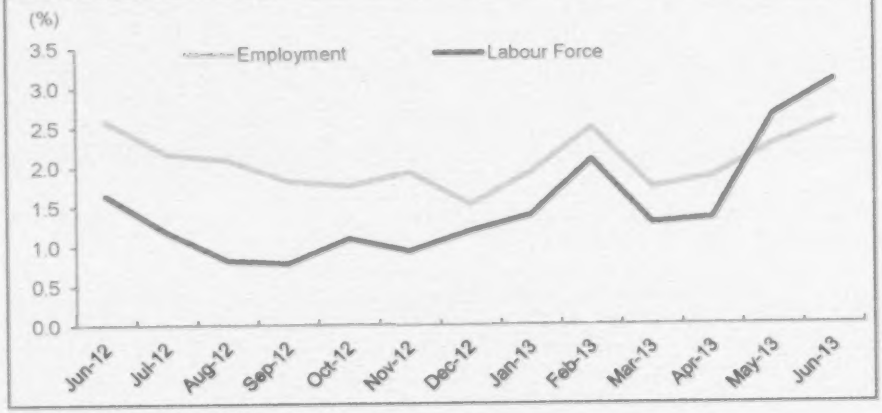
The US economy added 195,000 jobs in June. This was ahead of market expectations of 165,000 and slightly above the average monthly gain of 182,000 over the past 12 months. In addition to June's job numbers, estimated changes in non-farm payrolls for April and May were revised up by a combined 70,000 jobs. Despite the job gains, the US unemployment rate was unchanged from May to June at 7.6%.

Canadian Dollar

Loonie hits 21-month low against US dollar

The Canadian dollar has depreciated by about 5 cents against the US dollar over the last three weeks. On July 2, the loonie closed at its lowest level since early October 2011 at US94.8¢/$CAN. The recent drop in the Canadian dollar comes amid the Federal Reserve's recent announcement that it might curtail its US$85 billion per month bond buying program in the near future, contributing to a rise in the US dollar against many currencies, including Canada's.

Alberta Labour Market (Year-Over-Year % Change)



Source: Statistics Canada

Closing Price	June 27, 2013	July 3, 2013	2013-14 Fiscal YTD
Canadian Dollar (US$/$CAN)	95.42	96.03	97.62
WTI Oil ($US/bbl)	97.05	101.24	94.42
NYMEX Natural Gas($US/MMBtu)	3.58	3.69	3.91

Alberta Economic Indicators

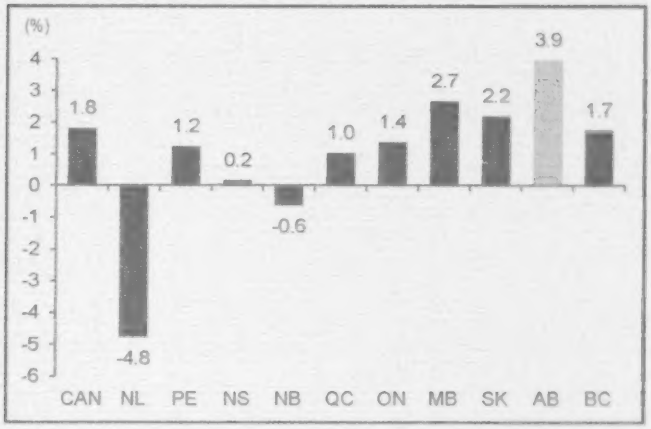
Population	2011	2012	2013YTD	Jan	Feb	Mar	Apr	May	June
Population (000's)	3,778	3,874	3,965	3,931	..	..	3,965	..	..
y/y % change	1.5	2.5	3.0	3.0	..	..	3.2	..	..
Net Interprovincial Migration[1]	8,443	28,170	38,896	11,533	..	..	13,438	..	..
Net International Migration[1]	16,703	37,990	39,779	6,296	..	..	13,674	..	..
Net Non-permanent Residents[1]	-7,604	9,721	9,762	-1,133	..	..	6,949	..	..
Labour Market									
NEW: Employment (000's), SA	2,094	2,150	2,184	2,175	2,179	2,168	2,183	2,201	2,201
y/y % change	3.8	2.7	2.1	1.9	2.5	1.7	1.9	2.3	2.6
NEW: Unemployment Rate (%), SA	5.5	4.6	4.7	4.5	4.5	4.8	4.4	4.8	5.0
NEW: Participation Rate (%), SA	73.7	73.4	72.9	72.9	72.9	72.6	72.5	73.3	73.1
Average Weekly Earnings ($), SA	1,035.75	1,072.98	1,094.94	1,083.82	1,099.51	1098.08	1098.36	..	..
y/y % change	4.4	3.6	3.6	3.0	4.5	3.4	3.4	..	..
Price Indices									
Consumer Price Index (y/y % change)	2.4	1.1	1.0	-0.5	0.9	1.2	1.3	2.3	..
Excluding food and energy	0.8	1.3	1.1	0.8	1.4	1.2	0.9	1.1	..
Non-Res Building Const. Price Index[2] (y/y % change)	3.4	3.8	1.4	..	..	1.4	..	..	..
Farm Product Price Index (y/y % change)	17.7	6.4	4.6	4.1	5.2	4.4	..	..	..
Crops	18.7	6.5	9.3	8.7	9.8	9.3	..	..	..
Livestock	16.9	6.2	0.2	0.2	1.1	-0.1	..	..	..
Household Sector									
Housing Starts (SAAR, 000's)	25.7	33.4	36.3	31.0	35.3	34.7	39.0	41.4	..
y/y % change	-5.1	29.9	8.8	18.3	10.4	-1.9	1.7	23.6	..
New Housing Price Index[3] (y/y % change)	0.4	1.3	2.4	2.2	2.6	2.4	2.5	..	..
Edmonton	0.9	0.9	0.7	0.9	1.0	0.6	0.4	..	..
Calgary	-0.1	1.7	4.1	3.3	4.3	4.3	4.7	..	..
MLS Average Resale Prices ($ 000's)	352.7	362.0	375.8	367.6	380.1	380.4	374.6	376.4	..
y/y % change	0.5	2.6	4.7	6.6	4.5	5.9	3.5	3.1	..
Edmonton ($ 000's)	324.2	332.7	343.1	337.6	344.0	348.9	345.5	339.5	..
y/y % change	0.7	2.6	3.0	1.6	2.8	5.4	2.8	2.3	..
Calgary ($ 000's)	401.9	410.8	427.9	422.5	436.7	433.9	420.4	426.2	..
y/y % change	1.1	2.2	6.2	12.4	5.7	6.3	3.8	3.3	..
Retail Sales, SA (y/y % change)	6.8	6.9	5.9	4.5	7.5	5.1	6.6	..	..
New Motor Vehicle Sales (y/y % change)	9.6	10.5	7.5	3.6	6.5	-0.1	19.7	..	..
Consumer Bankruptcies	7029	5759	1751	446	412	429	464	..	..
y/y % change	-13.8	-18.1	-18.2	-13.7	-22.7	-24.5	-11.3	..	..
Business Sector									
Rigs Drilling	286	250	303	368	422	206	115	88	115
y/y % change	30.4	-12.6	9.5	-8.2	8.1	9.4	-18.2	0.0	-17.3
NEW: Goods Exports, customs based (y/y % change)	18.4	1.8	3.0	1.3	2.0	0.0	1.0	11.7	..
Energy	19.2	2.1	3.0	1.0	3.9	1.4	0.4	12.3	..
Farm, Fishing and Intermediate Food	27.2	20.6	3.1	3.8	6.7	5.4	6.4	7.1	..
Farm Cash Receipts (quarterly, y/y % change)	16.7	14.1	9.3	..	..	9.3	..	..	..
Manufacturing Shipments, SA (y/y % change)	17.3	3.4	-2.9	-3.5	-1.0	-3.2	3.8	..	..
Wholesale Trade, SA (y/y % change)	14.7	10.9	2.9	3.1	6.4	2.6	0.5	..	..
Building Permits, SA (y/y % change)	11.8	14.8	22.9	24.7	19.9	38.6	10.0	..	..
Residential	5.2	18.2	14.6	21.2	7.8	14.6	15.4	..	..
Non-residential	20.9	10.7	33.5	30.6	36.1	72.1	5.0	..	..
Business Bankruptcies	264	230	51	10	14	12	15	..	..
y/y % change	-39.2	-12.9	-39.3	-50.0	-44.0	-36.8	-25.0	..	..

1 Quarterly, annual numbers are presented on a census year basis (July 1 – June 30)
2 Quarterly, average of Calgary and Edmonton
3 Average of Calgary and Edmonton
YTD (year to date) represents the change since the beginning of the year compared to the same period in the previous year. "SA" denotes seasonally adjusted. "SAAR" denotes seasonally adjusted at annual rate

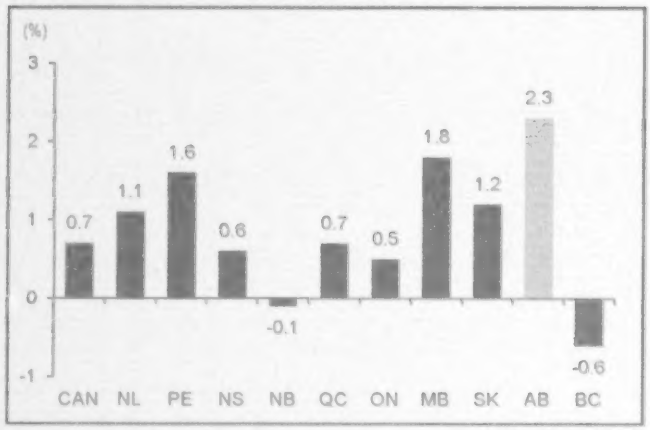
Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canada Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (office of the superintendent of Bankruptcy Canada).

Economic Indicators by Province

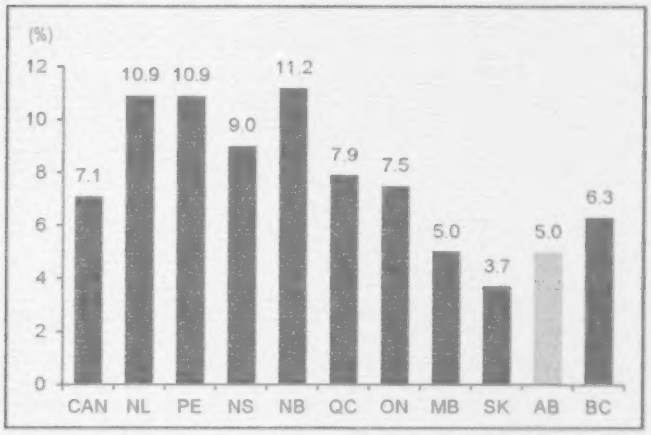
Real GDP by Industry
(2012, year-over-year growth)



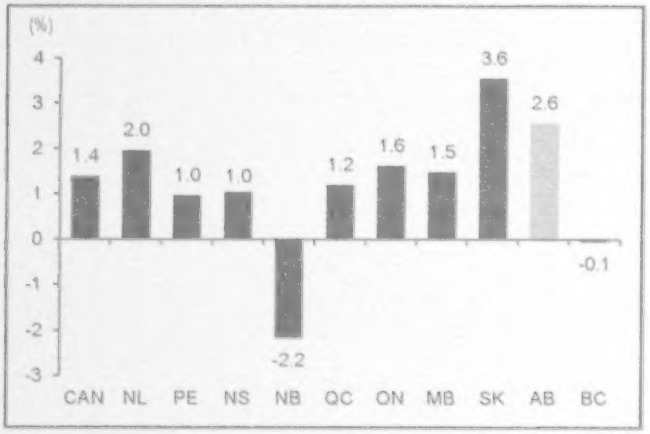
CPI Inflation
(May 2013, year-over-year growth)



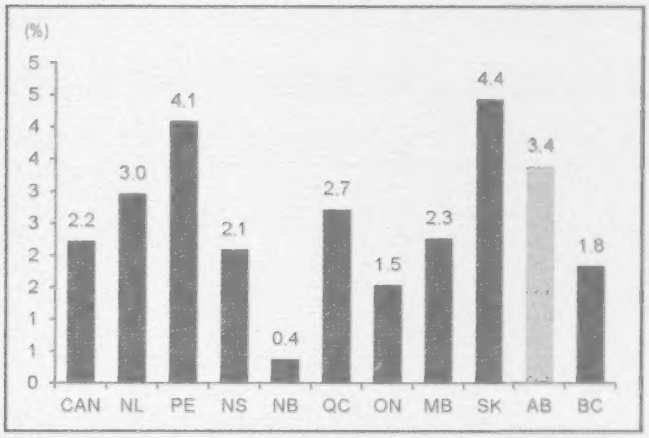
Unemployment Rate
(June 2013)



Employment
(June 2013, year-over-year growth)



Average Weekly Earnings
(April 2013, year-over-year growth)



Housing Starts
(May 2013, SAAR, year-over-year growth)